



**MINUTES  
CITY COUNCIL WORK SESSION  
August 4, 2020**

**CALL TO ORDER**

The meeting was called to order at 5:00 pm.

**Present:** Mayor: Charlie Miner; Council: Tom Skjaret, Jahn Dyvik, Deirdre Kvale, and Michelle Jerde (arrived at 5:25 pm)

*Due to the COVID-19 health pandemic, the Long Lake City Council attended this meeting telephonically pursuant to Minn. Stat. 13D.021.*

**Staff Present:** City Administrator: Scott Weske (in person); and Public Works Director: Sean Diercks (telephonically)

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Dyvik, seconded by Skjaret, to approve the agenda as presented. Ayes: all by roll call.*

**OPEN CORRESPONDENCE**

No one was in attendance to address the City Council during Open Correspondence.

**BUSINESS ITEMS**

**Discussion of Preliminary 2021 Budget and Levy**

City Administrator Weske gave an overview of the preliminary 2021 budget and levy and stated that the preliminary levy will need to be approved at the Council's September 15, 2020 meeting. He noted that there is the potential for increased building permit revenue for projects such as Zvago, but explained that he had not factored this into budget considerations because anticipated permit revenue is not guaranteed to fall in 2021. He indicated that Local Government Aid for 2021 will again be \$0. He reviewed the annual increase in the Police contract, the expected health insurance premium increase, and a 3% COLA increase for City employee salaries. He gave a brief overview of proposed levy scenarios and noted that they do not include the need to increase utility rates as those funds are still losing cash and are not able to pay for any future debt. He reviewed the difference between the tax rate and the tax capacity.

The Council discussed different ways to present financial information so it would be more helpful and easier to follow. They expressed interest in being able to follow line by line the revenue and expenses by fund.

Council member Jerde joined the meeting.

The Council discussed different formatting options for presenting the budget information and reviewed a document that City Administrator Weske had previously sent to Council member Dyvik

putting together the revenues and expenses. They discussed that the City does not levy for utility funds, so revenue will never come from the levy to fund utility operations. The Council continued to discuss different formatting options that they felt would be easier to follow in order to track revenues and expenses.

The Council reviewed the 2021 budget overview information and discussed the pros and cons of franchise fees versus a tax rate increase with future road reconstruction improvements in mind. They discussed the possibility of implementing franchise fees and keeping the tax rate the same. The Council noted that they want to get some input from the public regarding this decision. They discussed the forecasted budget deficit at the State level, and the potential affect it may have on the County and eventually the City.

Mayor Minor stated that he was looking forward to the public hearing in order to get input from residents on the budget and tax levy.

City Administrator Weske stated that the bottom line is that the City needs to do something because this is not a "cookie cutter" year in terms of the budget. He noted that there are a lot of options and he feels certain the Council will be able to come to terms and agree on how to move forward.

Council member Kvale asked if the Council could get a detailed listing of how much money there is in the bank, both restricted and unrestricted funds, in case it may be possible to tap into some of those funds for the shortfall areas. She stated that the idea of raising taxes during a pandemic does not sit well with her; that she would just like to see what other resources may be available to the City; and that she would also like to see a breakdown of how much the City spends for consulting services.

Council member Dyvik stated that because we are in a pandemic, he wonders if the City could, instead of a franchise fee or increasing the taxes by a large amount, just use the reserve money so the residents don't have such a large hit this year.

Council member Kvale stated that she thinks that would be a good idea.

City Administrator Weske stated that one thing the City could do is create a separate pavement management plan fund. He explained that the City could move all the cell tower rent into there, which would help build up the pavement management fund, which would mean the City wouldn't have to levy so much on the back end.

Council member Skjaret stated that he thinks a mix of the cell tower revenue, reduced franchise fees, and a small levy increase is a good compromise.

## **OTHER BUSINESS**

Council member Kvale stated that her understanding is that the City received some COVID-19 money and asked how that will be allocated and if there are plans for spending the money.

City Administrator Weske stated that the money has to be spent by November of 2020. He stated there are strings attached to the money and noted that the City has been tracking anything that may be COVID-19 related. He stated that he is hopeful, but is not banking on the entire amount being able to be used by the deadline.

Mayor Miner reminded the Council that it is filing season and there will be two Council seats and the Mayoral seat on the ballot. He stated that he filed for Mayor earlier in the day and reminded the other Council members to file for the Council seats.



**ADJOURN**

*Mayor Miner adjourned the meeting by general consent at 6:26 pm.*

Respectfully submitted,

Scott Weske  
City Administrator